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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman

SANDRA D. KENNEDY

PAUL NEWMAN

BOB STUMP

BRENDA BURNS

Docket No. W-01303A-10-0448

IN THE MATTER OF THE APPLICATION
OF ARIZONA-AMERICAN WATER
ARIZONA-AMERICAN, AN ARIZONA
CORPORATION, FOR A
DETERMINATION OF THE CURRENT
FAIR VALUE OF ITS UTILITY PLANT
AND PROPERTY AND FOR INCREASES
IN ITS RATES AND CHARGES BASED
THEREON FOR UTILITY SERVICE BY
ITS AGUA FRIA WATER DISTRICT,
HAVASU WATER DISTRICT, AND
MOHAVE WATER DISTRICT

**Verrado Community Association,
Inc.'s Response to Arizona-
American Water Company's
Motion for Declaration of
Intervenor Classes**

Verrado Community Association, Inc. ("Verrado") responds and objects¹ to Arizona-American Water Company's ("Arizona-American's") Motion for Declaration of Intervenor Classes ("Motion") to the extent granting the Motion would require Verrado to be part of a class of Intervenor and participate at the hearing through a class representative. Verrado has to date already participated as a single party, has offered its own written lay and expert witness testimony and should have the right to defend its own witnesses and cross-examine each the other parties' witnesses at the upcoming hearing regarding issues directly affecting future water rates to be paid by Verrado and its residents. Any potential for repetitiveness in the questions

¹ The Motion was served on Verrado's attorneys by U.S. mail only, so this response was made as quickly as possible after the Motion was received.

1 posed at the hearing by Verrado's attorney can be addressed adequately at the hearing by the
2 hearing officer and the parties' attorneys. Further, nothing in Arizona-American's Motion
3 should affect the right of all Intervenors to continue to participate fully in the non-hearing
4 aspects of this case, including filing and responding on an individual basis to motions and
5 submission of briefs.

6 In its September 9, 2011 Motion, Arizona-American requests pursuant to A.A.C. R14-3-
7 104(C) that "all homeowners associations and community associations that have been or are
8 eventually granted intervention be declared an 'HOA Class.'" Rule R14-3-104(C) states:

9 C. Designation of classes, parties. When two or more parties have
10 substantially like interests and positions, the presiding officer may declare
11 them a class of parties present and appearing for purposes of the hearing.
12 The members of a class shall designate one of their number to be
13 representative of a class in the hearing. If the members of a class cannot
14 agree on a representative, the presiding officer may designate one of them to
be representative of the class. The presiding officer may deem participation
by other members of the same class to be cumulative and may restrict its
presentation accordingly. More than one class may be established for a
hearing.

15 In order to apply this rule, the presiding officer must first determine that one or more parties
16 have "substantially like interests and positions." If the presiding officer determines that such
17 like interests and positions exist, then the presiding officer may (but is not required to) designate
18 one or more classes and require the classes to participate at the hearing through one or more
19 representatives, or may otherwise restrict cumulative presentations.

20 In this case, although the interests of most homeowners associations are certainly aligned
21 in important very general respects, there are significant distinctions between Verrado and other
22 homeowners associations. First, as Verrado has explained through written testimony, Verrado is
23 a very large master planned community that will eventually have up to 11,000 homes spanning
24 roughly 8,800 acres in the Town of Buckeye. Verrado currently has over 1800 homes. Verrado
25 receives both its water and sewer service from Arizona-American, and some homeowners
26 associations such as Sun City Grand Community Association in Surprise, Arizona, do not share
27 this same concern (Sun City Grand's sewer service is provided by the City of Surprise).
28 Verrado uses potable water currently for much of its irrigation needs, any many other

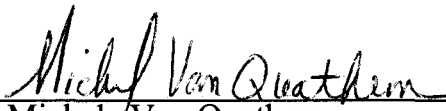
1 homeowners associations already have access to significant effluent supplies and lower-cost
2 sources of water (such as water supplied by Maricopa County Municipal Water Conservation
3 District No. One). Verrado's voice in this proceeding should not be diminished by lumping it
4 together with other associations with their own constituencies and localized concerns.

5 Second, as mentioned above, Verrado has already offered written testimony of witnesses
6 and has otherwise prepared to participate fully in the hearing on its own behalf – changing
7 Verrado's role at this point is unfair and will prejudice Verrado by requiring it to spend even
8 more time meeting with other Interveners in order to coordinate class representatives, negotiate
9 cost-sharing arrangements, and contribute to and negotiate a joint case presentation.

10 Verrado respectfully requests that it not be required to participate in a class of
11 homeowners associations.

12 DATED this 14th of September, 2011.

13 RYLEY CARLOCK & APPLEWHITE
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1 ORIGINAL and 13 copies of the foregoing filed
2 this 14th day of September, 2011, with:

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7 COPY of the foregoing mailed this
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